

RESOLUTION 87-31

RESOLUTION AUTHORIZING AN INITIAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from Shur Corporation for Club Avenal under the Rental Housing Mortgage Loan Program and has recommended to the Lending/Insurance Committee of the Board of Directors that such loan be approved; and

WHEREAS, the Lending/Insurance Committee has reviewed that loan application and concurs in the recommendation of the staff; and

WHEREAS, based upon the recommendation of staff and the Lending/Insurance Committee, the Board of Directors has determined that an initial loan commitment be made to such project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Housing Finance Agency:


- (1) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency is hereby authorized to transmit an initial commitment letter, subject to the recommended terms and conditions set forth in the attached report of CHFA staff dated June 17, 1987 for:

PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
87-36-S	Club Avenal Avenal	80	\$2,750,000

- (2) The initial commitment letter shall specifically state that the commitment is subject to the Agency's issuance of a final commitment to the sponsor not later than 6 months.
- (3) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency has the authority to modify the mortgage amount so stated in this resolution by an amount not to exceed seven percent (7%) without further Board approval. All other changes, including changes in mortgage amount of more

than seven percent (7%), must be submitted to the  
Board for approval.

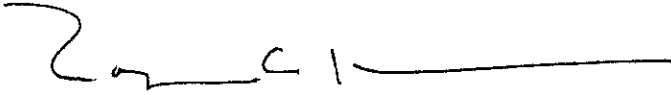
I hereby certify that this is a true and correct copy of  
Resolution 87-31 adopted at a duly constituted meeting of the  
Board of Directors of the California Housing Finance Agency  
held on July 9, 1987 at Sacramento, California.

ATTEST:   
Secretary

State of California

M E M O R A N D U M

To : Lending/Insurance Committees Date : June 17, 1987



From : Roger A. Kollias  
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : Club Avenal  
Avenal, Kings County  
CHFA #87-036-S

Action Requested

The purpose of this memorandum is to recommend Initial Loan Commitment under the Agency's Rental Housing Mortgage Loan Program in the amount of \$2,750,000 to fund the development of a 80 unit apartment rental project in the City of Avenal, Kings County. The Initial Commitment is predicated upon an income loan analysis and is intended to provide a preliminary feasibility determination. The sponsor will have 180 days to obtain a Final Loan Commitment. The final application for mortgage financing will be supported by an independent market analysis and MAI appraisal, and will be subject to normal Agency underwriting disciplines.

Analysis

Avenal is located on the Kettleman Plains at an elevation of 800 feet between the Kettleman Hills and the Diablo Coastal Range. It is 175 miles north of Los Angeles and 175 miles south of San Francisco. It is situated on Highway 33 approximately 6 miles west of Interstate 5. Avenal is 16 miles southeast of Coalinga and 36 miles southwest of Hanford, the County seat of Kings County. Avenal has a population of approximately 4,200. Kings County had a 1984 household population of 80,684 with agriculture, government, retail trade and manufacturing as its principal economic sectors as measured by employment. In 1983 Kings County ranked among the top twenty agricultural counties in the United States.

The California Department of Corrections is currently constructing a 3,600 bed minimum-medium and minimum level prison at 120% occupancy. The staff to inmate ratio used by the Department of Corrections estimates the total number of employees to be 990 at 120% capacity. Induced or non-correctional community support employment is estimated to produce an additional 300 jobs in the Community. Statewide, the California Correction facilities are operating at an average 177.61% occupancy. With the continual increase in the states already overcrowded prison population, it is conceivable that the occupancy of the Avenal facility will exceed the 120% level with a corresponding increase in prison and community employment.

According to a 1985 report prepared for the California Department of Corrections by Engineering-Economic Associates, Inc., of Berkeley, California, the current supply and quality of housing in Avenal is insufficient to accommodate the anticipated demand by prison employees. A 1983 Kings County Regional Planning Agency study classified 29% of the housing units as either deteriorated or dilapidated.

#### Subject

The 2.78 acre parcel is situated on the north side of Alpine Street approximately 410 feet east of the intersection of Third Avenue and Alpine Street in the City of Avenal, County of Kings. The site is "L" shaped with 176 feet frontage along Alpine Street. All utilities are available to the site. The site is properly zoned for multifamily residential development.

The project will consist of six two-story garden apartment buildings containing 80 apartment units and a free standing recreation building. On-site parking will be provided for 120 vehicles. The residential unit breakdown will be 40 one-bedroom units containing approximately 675 square feet, and 40 two-bedroom units containing approximately 868 square feet. All units will have carpeting and drapes, dishwasher and disposal, refrigerator, microwave oven, central heating and air conditioning, fireplace, and a patio or balcony.

Project amenities will include security entrances and parking, a recreation building containing a gym, sauna, and television room, a racquetball court, pool, spa, and BBQ areas. The entire project will be attractively landscaped.

## DEVELOPMENT TEAM ANALYSIS

### Sponsor - Shur Corporation Affordable Housing

The borrowing entity will be a limited partnership, to be formed, of which Shur Corporation Affordable Housing (Shur Corporation ) will be the managing general partner. Shur Corporation Affordable Housing, a Minority Business Enterprise, (MBE) was established in 1982 as a developer/builder to undertake the development and construction of affordable housing. Since its inception Shur Corporation has received commitments and completed 167 condominium units under the Department of Housing and Community Development (HCD) Century Freeway Housing Replenishment Program (CFHRP). Additionally, Shur Corporation responded to and was successful in obtaining commitments for rental housing projects incorporating 96 units valued at over nine million dollars.

The principals of Shur Corporation are Mr. Kit Forrest Kurisaki, President, and Ms. Sylvia Fogelman, Vice President and Secretary/Treasurer. Mr. Kurisaki, a graduate of California Polytechnic College of Pomona is responsible for construction activities including the selection and management of subcontractors. Ms. Fogelman is a licensed general contractor whose responsibilities are administrative, planning and budgeting.

### Architect - Babylon Architects

Babylon Architects was founded in 1983 by Mr. Curt John Carlson as a full service architecture, planning and design firm. His involvement in past architectural projects range from small residential tract developments (1/2 acre and up) to large scale community developments (200 acres and up). Participation in these developments include master planning, public agency interfacing, architectural design, and administration.

### General Contractor - Shur Corporation Affordable Housing

Shur Corporation Affordable Housing will serve as general contractor to the development.

Management Agent - Cal Sun Realtors and Investment Company, Inc.

Cal Sun Realtors and Investment Company, Inc., a real estate brokerage and management company, was founded in 1986. It maintains its principal office in Hanford, California, and a branch office in Corcoran. The principals are Joseph E. Rosenthal, President, and Jean Haylock, Vice President. Ms. Haylock directs the property management operations for the company. She has been active in the real estate industry since 1970 and currently manages 14 apartment projects, 95 single family and scattered sites and 2 commercial properties.